



2018-19 First Interim Report

PVSD prepares 21st century learners who are responsible members of our global society.

Pleasant Valley School District
600 Temple Avenue • Camarillo, CA 93010 • (805) 482-2763 (Office) • www.pleasantvalleysd.org

Vision, Mission, and Goals



VISION:

Excellence for all.



GOALS:

1. Ensure increased student achievement through high expectations for all
2. Provide a healthful environment where students feel welcomed, safe, and connected
3. Maintain a fiscally sound budget that equitably aligns and maximizes available resources
4. Continuously engage in open and meaningful communication with all stakeholders



MISSION:

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Why do we review the First Interim budget?

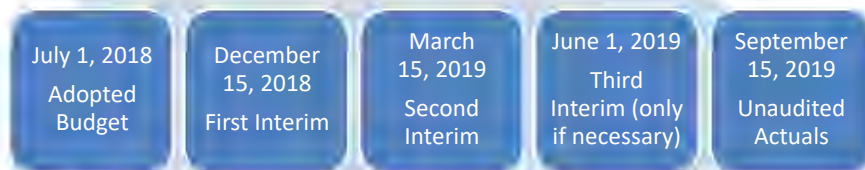
- To comply with AB 1200: “fiscal early warning system”
- To review the changes since budget adoption
- To answer this key question: Can we meet our financial obligations this fiscal year and in the two fiscal years ahead?



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AB 1200 Requirements and Key Deadlines

Fiscal Year 2018-19



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District vs. State Budget Timelines

- Statutory timelines force the District to develop and adopt the District budget before the State budget is finalized
- District makes budget decisions based on Governor's May Revise



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Revenue Changes

- State Aid down slightly due to ADA decrease
- "One-time" funds decreased (\$986K)
- Restricted Federal funding increased
- Prop 39 Clean Energy Act grant received (\$1.1M restricted)
- Classified Professional Development Block Grant created (\$37K)
- Low Performing Student Block Grant created (\$640K restricted)
- Cost Of Living Adjustment increase from 3.0% to 3.7%



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Expenditure Changes

Expenditure changes from Adopted Budget to First Interim:

- Increases in restricted revenues results in a proportionate increase to planned restricted expenditures
- Unrestricted expenditures trimmed
- Increase in contributions from unrestricted general fund to restricted programs, specifically Special Education



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Expenditure Changes

Year over year cost increases due to:

- CalSTRS employer contribution rate increases (\$564,000)
- CalPERS employer contribution rate increases (\$302,000)
- Step and Column increases on salary schedules (\$544,000)
- Inflationary Costs/Consumer Price Index (140,000)



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Net Result of Changes

Unrestricted General Fund

	Adopted	1st Interim	Change
Revenues (8010-8799)	\$56,206,261	\$56,109,351	(\$96,910)
Contributions to Restricted Programs	(\$7,763,691)	(\$8,771,118)	(\$1,007,427)
Net Revenue	\$48,442,570	\$47,338,233	(\$1,104,337)
Expenditures	\$48,526,718	\$47,568,512	(\$958,206)
Excess/(Deficiency) of Funds	(\$84,148)	(\$230,279)	(\$146,131)



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Net Result of Changes

Restricted General Fund

	Adopted	1st Interim	Change
Revenues (8100-8999)	\$7,502,778	\$9,624,112	\$2,121,334
Contributions from Unrestricted	\$7,763,691	\$8,771,118	\$1,007,427
Net Revenue	\$15,266,469	\$18,395,230	\$3,128,761
Expenditures	\$15,126,964	\$19,582,816	\$4,455,852
Excess/(Deficiency) of Funds	\$139,505	(\$1,187,586)	(\$1,327,091)



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Restricted Funds

- Projected to spend \$1.187M in restricted reserves
- Important to note that restricted deficit spending is distinct from operational deficit spending



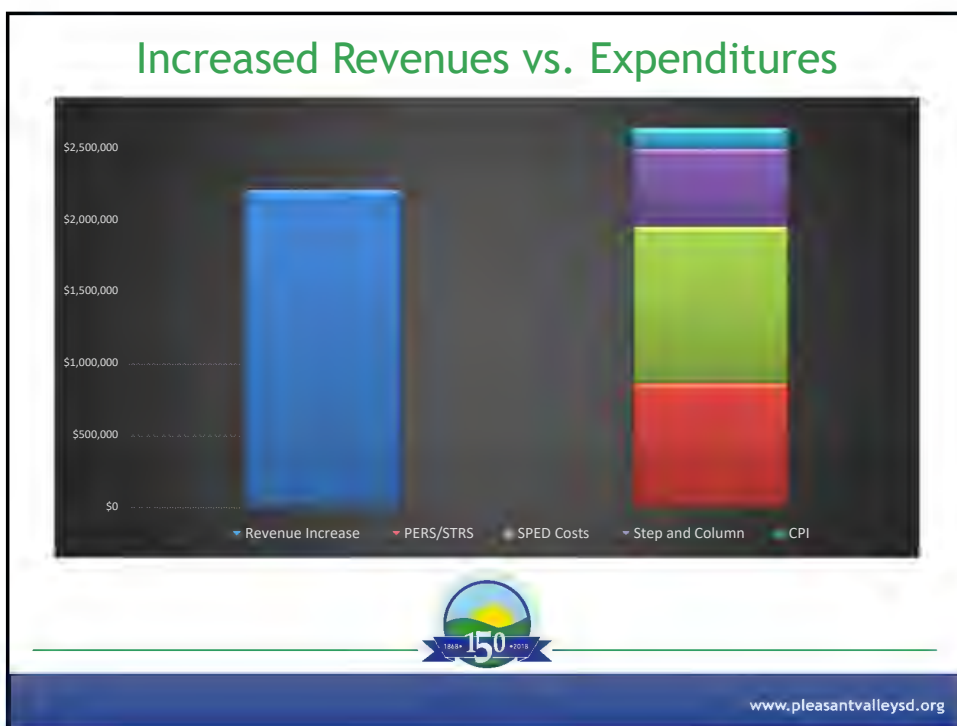
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What about the “new money”?

- Does the COLA increase plus gap closure funding result in lots of new money?
- We need to look at additional revenues vis-a-vis non-discretionary expenditure increases



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Multi-Year Projections

- Three-year MYP and five-year MYP
- “One-time” funds are not included in the MYP
- Operational deficit spending vs. spending of savings in restricted funds
- MYPs are not necessarily our destiny, but important data for decision making



Multi-Year New Revenues vs. New Expenditures



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Bottom Line

- Under the current funding structure non-discretionary increases to operating costs will continue to exceed the expected COLA increases in funding and result in a return to operational deficit spending
- On the current course the District is required to spend down reserves in order to pay for the non-discretionary expenditure increases



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Bottom Line

- The only way to make discretionary increases to expenditures in one area is to decrease expenditures in another area
- 1st Interim Budget warrants a positive certification, and the data shows us that caution is necessary for the years ahead

